

project. Depending on the circumstances, a utility may be willing to offer a reduced charge because it foresees that it may need to install underground facilities in the area at its own expense at a later time, because it hopes to win recognition for making a contribution to the attractiveness of the city, or for other reasons.

In one instance a local government body sought, over a utility's opposition, to have underground facilities installed at the utility's expense. In the early 1980s the Roanoke Voyages Corridor Commission (RVCC) – an agency created by the General Assembly and given authority to adopt regulations governing property within 50 feet of U.S. 64-264 on Roanoke Island – ordered that all new electric lines within the 50-foot corridor be underground. Virginia Electric and Power Company (Vepco)¹³ indicated that it would require customers within the corridor to pay a portion of the costs of underground facilities, in the same way as any other customer. (The U.S. 64-264 corridor on Roanoke Island is not a high-density area where a utility might find it economically attractive to install underground facilities.) The RVCC filed a complaint against Vepco, requesting the Commission to issue a declaratory order holding that Vepco should provide underground service at no cost to customers in the corridor, and that the cost of the service should be treated as an operating expense for ratemaking purposes. The Commission refused to issue such an order, noting that the cost of underground service in the corridor should be borne by the customers who benefited from it, rather than being passed on to the general body of Vepco customers. Its refusal

¹³ Virginia Electric and Power Company, the regulated utility subsidiary of Dominion Resources, Inc., was formerly (and sometimes informally still is) referred to as Vepco. Currently it uses the business names "Dominion North Carolina Power" and "Dominion Virginia Power" for its North Carolina and Virginia operations, respectively.